

1 UNITED STATES DISTRICT COURT
2 WESTERN DISTRICT OF TEXAS
3 AUSTIN DIVISION

4 UNITED STATES OF AMERICA) Docket No. A 22-CR-187(1) RP
5)
6 vs.) Austin, Texas
7)
8 STEVE RAY SHICKLES, JR.) June 16, 2023

9 TRANSCRIPT OF SENTENCING
10 BEFORE THE HONORABLE ROBERT L. PITMAN
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Proceedings reported by computerized stenography,
transcript produced by computer aided-transcription.

09:59:00 1 THE CLERK: The Court calls: A-22-CR-187, The
09:59:03 2 United States vs. Steve Ray Shickles, Jr., for sentencing.
09:59:07 3 MR. DEVLIN: Morning, Judge.
09:59:08 4 Matthew Devlin for the United States.
09:59:09 5 THE COURT: Mr. Devlin, good morning.
09:59:11 6 MR. DEVLIN: Morning.
09:59:11 7 MR. ALDREDGE: Horatio Aldredge for Mr. Shickles.
09:59:14 8 THE COURT: Mr. Aldredge, good morning.
09:59:15 9 And you are Steve Ray Shickles, Jr.?
09:59:17 10 THE DEFENDANT: Yes, sir.
09:59:18 11 THE COURT: Good morning, sir.
09:59:20 12 Mr. Shickles, the purpose of this hearing today
09:59:22 13 is for me to impose a sentence in your case. In a few
09:59:24 14 minutes, I'll give you the opportunity to say anything
09:59:26 15 you'd like to say before I sentence you. You don't have
09:59:30 16 to speak. You can let your lawyer speak for you, but I
09:59:32 17 will give you that opportunity.
09:59:34 18 First, let me check with you to make sure that
09:59:36 19 you believe you've had enough time with Mr. Aldredge
09:59:38 20 before today to prepare for this sentencing hearing.
09:59:41 21 THE DEFENDANT: Yes, your Honor.
09:59:42 22 THE COURT: During your conversations with Mr.
09:59:44 23 Aldredge, did he show you a copy of the presentence
09:59:47 24 investigation report that the probation office prepared in
09:59:50 25 your case?

09:59:50 1 THE DEFENDANT: Yes, your Honor.

09:59:51 2 THE COURT: Did he talk to you about the federal
09:59:54 3 sentencing guidelines, what those are and what those --
09:59:56 4 what the guidelines have recommended in your case?

09:59:57 5 THE DEFENDANT: He did, your Honor.

09:59:58 6 THE COURT: All right. Mr. Aldredge, do you
10:00:00 7 believe you've had enough time with your client to prepare
10:00:02 8 for this sentencing hearing today?

10:00:04 9 MR. ALDREDGE: Yes, your Honor.

10:00:05 10 THE COURT: During your meetings with him, did
10:00:06 11 you review with him in detail the presentence
10:00:09 12 investigation report that was filed in his case?

10:00:12 13 MR. ALDREDGE: Yes, your Honor.

10:00:12 14 THE COURT: Did you talk to him about the
10:00:13 15 operation of the federal sentencing guidelines in his
10:00:16 16 case?

10:00:17 17 MR. ALDREDGE: I did, your Honor.

10:00:18 18 THE COURT: I note that you did have one
10:00:20 19 unresolved objection to the presentence investigation
10:00:22 20 report and I'd be glad to hear you on that now.

10:00:24 21 MR. ALDREDGE: Your Honor, actually, I need to
10:00:28 22 place an objection as to the restitution amount.

10:00:30 23 Obviously we've had some litigation about that and I think
10:00:35 24 my position is clear about the relevancy of the documents
10:00:39 25 that I've been seeking which would be able to establish

10:00:43 1 any additional amount, essentially the profit from the
10:00:49 2 sale of those -- that property would be credited against
10:00:55 3 the restitution amount. So obviously I don't know what
10:00:58 4 that amount is, but the basis for establishing that
10:01:06 5 amount, I establish and I understand the Court's position.
10:01:09 6 I don't need to make any further argument about that.

10:01:11 7 So I would -- if the Court will allow me to make
10:01:15 8 that objection formally.

10:01:16 9 THE COURT: Absolutely.

10:01:17 10 MR. ALDREDGE: Okay. And understanding it's
10:01:19 11 overruled.

10:01:20 12 THE COURT: And there's a record, I believe.

10:01:22 13 MR. ALDREDGE: That's right.

10:01:23 14 THE COURT: And as to the sophisticated means,
10:01:28 15 your Honor, you know, the probation department says that
10:01:33 16 this is -- you know, this carried on for so long that it
10:01:35 17 was sophisticated but that just doesn't address the point.
10:01:39 18 The guidelines, of course, define sophisticated means,
10:01:46 19 especially complex or especially intricate.
10:01:51 20 Merriam-Webster defines sophisticated as developed to a
10:01:55 21 high degree of complexity. And neither one of those
10:01:58 22 definitions is met by the conduct that Mr. Shickles
10:02:05 23 engaged in.

10:02:06 24 There are a couple of instances cited by the
10:02:08 25 government and established in the presentence report that

10:02:13 1 are purported to be the sophisticated means, one of which
10:02:17 2 is that he, Mr. Shickles, asked an employee to change a
10:02:21 3 script on an internal daily report, which in itself would
10:02:27 4 have amounted to about 30 seconds to 60 seconds of
10:02:31 5 programming, changing the code, A. B, seems hardly
10:02:37 6 complex or deceptive to ask somebody to do that.

10:02:42 7 If he wanted to be truly deceptive, he would have
10:02:45 8 maybe gone in and would have been cable of doing it on his
10:02:47 9 own. So to ask an employee openly to do this was that --
10:02:53 10 who could have established it at any point, if asked, is
10:02:58 11 not deceptive or duplicitous. He actually asked this
10:03:04 12 person openly to do this. And then, the second instance
10:03:07 13 is where he was able to receive directly to his account a
10:03:12 14 refund for property purchased and he sent a fake e-mail.

10:03:22 15 So again, it's deceptive and as I said in my
10:03:27 16 reply to the government's response to my objection, those
10:03:32 17 are the acts that really turn this into -- from a state
10:03:38 18 embezzlement case into a federal fraud case. There has to
10:03:42 19 be some deception by definition in order to -- for a theft
10:03:47 20 crime to become a fraud crime. But the question is, what
10:03:53 21 -- was that deception to the level that it's especially
10:03:57 22 complex and intricate, and I believe that the answer is no
10:04:02 23 in this case.

10:04:04 24 THE COURT: Thank you.

10:04:05 25 MR. ALDREDGE: That's all I have, your Honor.

10:04:06 1 THE COURT: Mr. Devlin.

10:04:07 2 MR. DEVLIN: Judge, I did file a written response
10:04:08 3 to his objection and I would adhere to that. I really
10:04:12 4 don't have much to add to that. But in summary, I think
10:04:14 5 the fact that there were the two methods cited by Mr.
10:04:20 6 Aldredge in not only committing the crimes that he did but
10:04:23 7 deceiving others and lulling them into not looking into it
10:04:28 8 any further distinguishes this case from the case that he
10:04:31 9 cited, the Valdez case, which involved basically simply
10:04:35 10 one person moving money from one account to another both
10:04:38 11 in his name.

10:04:39 12 There was no need for him in that case to deceive
10:04:42 13 others or to somehow take action to conceal things whereas
10:04:46 14 here, he did that in a couple of instances as described.
10:04:51 15 He had this daily e-mail that went out to the company and
10:04:54 16 to the interested persons where he did not reveal that.
10:04:59 17 They trusted him with that and that was, you know, by
10:05:03 18 itself the action of just simply asking a person to do
10:05:06 19 that, to change that e-mail is not really the focus here.
10:05:09 20 It obviously caused this e-mail to go out to others and to
10:05:13 21 lull them into thinking that everything was okay.

10:05:15 22 And then, again, creating an e-mail account in
10:05:17 23 the name of another trusted individual at the company who
10:05:21 24 -- the other company that gave the refund knew and, again,
10:05:26 25 had dealt with before, that was certainly another act that

10:05:31 1 made this more sophisticated. We're not certainly arguing
10:05:34 2 that this is the most sophisticated fraud ever, but it
10:05:38 3 certainly meets the threshold of the definition under the
10:05:41 4 guidelines for sophisticated means and we would ask that
10:05:42 5 the Court retain that enhancement in the guidelines.

10:05:45 6 THE COURT: Thank you. I agree with the
10:05:48 7 government's position that the defendant's conduct in this
10:05:51 8 case meets both the letter and the spirit of the
10:05:58 9 guideline. The guidelines specifically defines behavior
10:06:02 10 as hiding assets or transactions in the use of fictitious
10:06:06 11 entities, and I think by any standard, the defendant's
10:06:10 12 conduct meets that standard and so, I will overrule that
10:06:13 13 objection.

10:06:14 14 Mr. Aldredge, do you have any other objections?

10:06:16 15 MR. ALDREDGE: No, your Honor. If the Court
10:06:21 16 would be so kind to formally overrule my --

10:06:23 17 THE COURT: Yes. I just did.

10:06:25 18 MR. ALDREDGE: Okay. Thank you. I have nothing
10:06:27 19 further.

10:06:27 20 THE COURT: Okay. Any objection from the
10:06:28 21 government?

10:06:29 22 MR. DEVLIN: No objections, Judge.

10:06:31 23 THE COURT: All right. I will, then, as a
10:06:35 24 consequence of overruling the defendant's objection, I
10:06:38 25 will adopt the findings of the presentence investigation

1 report and make them a part of the record for the purposes
2 of this hearing.

3 Mr. Shickles, now I want to go over with you both
4 the statutory range of punishment that you face today for
5 committing wire fraud in violation of the federal law,
6 then we'll talk about what the sentencing guidelines are
7 recommending in your case. The statute in this case
8 provides for the possibility of a sentence of
9 incarceration of up to 20 years, followed by a term of
10 supervised release of up to three years, or a term of
11 probation of between one and five years.

12 The statute provides for a fine of up to
13 \$250,000, in addition to an amount of restitution that has
14 been determined in this case by the probation office to be
15 \$1,657,639.93. Finally, I will impose a one-time monetary
16 assessment under the Victims of Crimes Act of \$100.

17 Do you understand what the statutory range of
18 punishment is in this case?

19 THE DEFENDANT: Yes, your Honor.

20 THE COURT: Now, the sentencing guidelines were
21 applied in this case. The offense level was found to be a
22 level 24 and your Criminal History a Category I. As a
23 result, the guidelines recommend that I sentence you to a
24 term of incarceration of between 51 and 63 months,
25 followed by a term of supervised release of between one

10:07:58 1 and three years. The guidelines do not recommend
10:08:01 2 probation, but they do recommend a fine of between 20 and
10:08:05 3 \$200,000, in addition to the restitution that I've
10:08:08 4 previously identified, and the \$100 special assessment.

10:08:12 5 Do you understand what the federal sentencing
10:08:14 6 guidelines are recommending in your case?

10:08:16 7 THE DEFENDANT: I do, your Honor.

10:08:16 8 THE COURT: Now, finally, there is a plea
10:08:19 9 agreement in this case that recommends to the Court,
10:08:23 10 however, it's not binding on the Court, that I sentence
10:08:25 11 you to a term of imprisonment at the low end of the
10:08:29 12 guideline range or period equivalent to the period that
10:08:33 13 you have already served, which I'm not aware of what that
10:08:36 14 is.

10:08:37 15 MR. ALDREDGE: Maybe a day or two.

10:08:38 16 THE COURT: Okay. So it would be the low end of
10:08:40 17 the guidelines then, effectively.

10:08:42 18 MR. ALDREDGE: Yes.

10:08:42 19 THE COURT: And the plea agreement is -- only
10:08:46 20 contemplates some period of supervised release and a fine,
10:08:51 21 but does not address the restitution and special
10:08:54 22 assessment.

10:08:54 23 Do you understand what the plea agreement that
10:08:56 24 you have with the government is recommending?

10:08:58 25 THE DEFENDANT: I do, your Honor.

10:08:59 1 THE COURT: And do you understand that that
10:09:00 2 recommendation is not binding on me?

10:09:02 3 THE DEFENDANT: I do, your Honor.

10:09:03 4 THE COURT: Okay. Very good. All right.

10:09:05 5 Mr. Shickles, Mr. Aldredge, would you like to go
10:09:10 6 first or would you like your client to address? Okay.
10:09:13 7 Mr. Shickles, I'd be happy to hear anything you would like
10:09:16 8 to say now before I impose your sentence.

10:09:17 9 THE DEFENDANT: Thank you, your Honor. If you
10:09:18 10 don't mind, I'm going to read from my notes.

10:09:20 11 I'm very sorry I broke the law while working at
10:09:24 12 Simple Helix when I made unauthorized money transfers from
10:09:27 13 my personal accounts. I abused my position of trust and
10:09:29 14 harmed my employer. I am ashamed of myself for making
10:09:33 15 such terrible choices. To the owners and employees at
10:09:36 16 Simple Helix, I apologize. As a proud United States
10:09:39 17 citizen, I understand it's my duty to obey the law to the
10:09:42 18 owners of Simple Helix were counting on me to act
10:09:45 19 honorably and I failed them. I will do whatever it takes
10:09:48 20 to make amends and pay my full restitution.

10:09:51 21 My family, my community relied on me to make good
10:09:54 22 judgment and make wise decisions. Getting sentenced today
10:09:58 23 proves that I let them down. The consequences of my
10:10:00 24 illegal actions will follow me and my family for the rest
10:10:02 25 of our lives. I wish I could undo the past, but I can't

10:10:05 1 and I'm deeply sorry. I will never forget the lessons
10:10:08 2 I've learned during this legal process and am grateful
10:10:11 3 that this country offers a second chance to those who earn
10:10:14 4 it.

10:10:15 5 I'm determined to prove worthy of that second
10:10:17 6 chance. In the years ahead, I want to use my story to
10:10:20 7 help other people make better choices that I did in this
10:10:22 8 case. Your Honor, I am deeply committed to learning from
10:10:26 9 this experience and making amends for the harm I have
10:10:29 10 caused. I am determined to become a better person not
10:10:32 11 only for myself but also my family, friends and community.
10:10:36 12 I understand that I have a long road ahead and I'm
10:10:39 13 prepared to face it with humility, determination, and a
10:10:42 14 renewed sense of purpose.

10:10:44 15 To close, your Honor, I am very sorry that I've
10:10:46 16 betrayed the trust of my colleagues and the owners of
10:10:48 17 Simple Helix. I take full responsibility for my criminal
10:10:51 18 conduct. I assure even this court, I will never return as
10:10:56 19 a defendant again. Thank you, your Honor.

10:10:58 20 THE COURT: Thank you.

10:10:59 21 MR. ALDREDGE: Your Honor, Mr. Shickles' wife
10:11:02 22 Ronda and two friends would like to speak, if they may.

10:11:08 23 THE COURT: Sure.

10:11:09 24 MR. ALDREDGE: Your Honor, this is a case that's
10:11:11 25 very different than the typical kind of Ponzi-scheme fraud

10:11:16 1 case that we see where generally what we see is that
10:11:19 2 somebody just decides who -- somebody who really doesn't
10:11:21 3 have the ability to work and apply themselves decides that
10:11:25 4 they deserve some amount of money and so, they begin to
10:11:29 5 steal it by devising a Ponzi scheme, again, typically and
10:11:37 6 just out and out stealing people's money and he did that,
10:11:41 7 too, but he was actually productive. He's hard working.
10:11:44 8 He has a life -- life's record of working hard, making his
10:11:50 9 way on his own.

10:11:54 10 And this was essentially -- it wasn't a
10:11:57 11 predesigned scheme. It was a crime of opportunity and I
10:11:59 12 know that that ultimately doesn't lessen the amount he
10:12:02 13 stole, which is obviously enormous, and it doesn't lessen
10:12:09 14 the gravity of the crime, but it does mean he is
10:12:16 15 different. He is somebody who is truly, genuinely
10:12:19 16 remorseful. He's somebody that can and will continue to
10:12:24 17 be hard working and productive. He does not feel sorry
10:12:27 18 for himself. He doesn't feel wrong, aggrieved by the
10:12:31 19 prosecution, his prosecution in this case. He's somebody
10:12:36 20 who's actually going to be able to repay a significant
10:12:39 21 amount of his restitution debt. Hopefully all.

10:12:42 22 THE COURT: Can you address that piece right now?
10:12:46 23 I show that the last restitution payment was over a year
10:12:49 24 ago; is that right?

10:12:50 25 MR. ALDREDGE: That is true, your Honor. He has

10:12:53 1 been gainfully employed. He's provided his pay stubs --
10:12:55 2 biweekly pay stubs to the Pretrial Services Office. Right
10:13:01 3 now, he's got -- he's had significant medical bills from
10:13:06 4 his wife. His wife suffered a stroke about a year ago.
10:13:10 5 He's been taking care of the family entirely. He's not
10:13:17 6 banking -- he hasn't had any money to save. He's
10:13:23 7 volunteered -- he spent time volunteering. He's had extra
10:13:28 8 time to do that beyond his full-time employment but that's
10:13:34 9 essentially -- any money he has has been tied up in
10:13:38 10 ongoing obligations at home, familial obligations. The
10:13:47 11 last payment was, I think as you said, a year ago.

10:13:51 12 Your Honor, that's -- in the end, the guideline
10:13:56 13 range is adequate to meet all of the sentencing goals of
10:14:03 14 3553(a). And we would ask the Court to accept the
10:14:10 15 recommendation of the parties for a sentence of no greater
10:14:14 16 than the low end of the guideline range. It is -- it will
10:14:19 17 be a long time that he will be away from his family and it
10:14:22 18 is, again, sufficient to meet the sentencing goals of
10:14:28 19 deterrence and punishment and promoting respect for the
10:14:35 20 law. And for all those reasons, Judge, we'd ask that the
10:14:37 21 Court impose a sentence of no greater than 51 months.

10:14:40 22 THE COURT: Thank you very much. You can have a
10:14:42 23 seat. And I'd be happy to hear from anyone who would like
10:14:44 24 to make a statement on Mr. Shickles' behalf.

10:15:09 25 MS. SHICKLES: Your Honor, thank you for the

10:15:10 1 opportunity to speak today. I apologize. I will have to
10:15:15 2 read my notes.

10:15:16 3 THE COURT: Sure.

10:15:17 4 MS. SHICKLES: As a stroke survivor, I also have
10:15:20 5 aphasia so I just ask for your patience.

10:15:22 6 THE COURT: Take your time. Can you state your
10:15:23 7 name for the record?

10:15:25 8 MS. SHICKLES: Ronda Shickles.

10:15:26 9 THE COURT: Thank you.

10:15:32 10 MS. SHICKLES: I was shocked and overwhelmed when
10:15:34 11 I learned of the charges against Steve. Steve and I have
10:15:40 12 had many long conversations about his bad choices in this
10:15:48 13 case. I love my husband for accepting the consequences of
10:15:54 14 his action with humility. When I met Steve 18 years ago,
10:16:03 15 I immediately noticed his impeccable manners, his hard
10:16:11 16 work ethic, and his gentle soul. Steve is the very best
10:16:19 17 dad to our girls. He is a volunteer at our church and has
10:16:26 18 been a youth sports coach, as well.

10:16:38 19 If a person is in need, Steve will be there to
10:16:42 20 help. After my uncle shattered his ankle, Steve loaned
10:16:48 21 him his car and then, also helped my uncle move into a new
10:16:54 22 home. On June 19th of 2020, I suffered a rare type of
10:17:03 23 stroke when a blood clot caused hemorrhage in my brain.
10:17:12 24 Since then, Steve has done everything possible to help and
10:17:17 25 support me. He takes responsibility for all household and

10:17:27 1 parenting duties. He manages my medications, my many
10:17:32 2 doctors appointments, and my complicated therapy
10:17:40 3 schedules. Thanks to Steve's dedication and love, I have
10:17:42 4 made remarkable progress.

10:17:47 5 Your Honor, this legal process has been a time of
10:17:53 6 reckoning and reflection for Steve. My husband does not
10:18:02 7 sugarcoat the seriousness of his case. He understands the
10:18:11 8 importance of accepting responsibility and making amends.
10:18:23 9 Steve has worked with a counselor to help him come to
10:18:28 10 terms with his actions and face serving time in prison for
10:18:34 11 his choices. I hope this court will consider my husband's
10:18:43 12 long record of hard work and service to others. Steve is
10:18:50 13 a kindhearted man with unlimited potential for a
10:18:58 14 productive, purposeful future. I love my husband very
10:19:10 15 much and hope this court will show mercy today.

10:19:13 16 THE COURT: Thank you, ma'am.

10:19:16 17 MS. SHICKLES: Thank you.

10:19:16 18 THE COURT: Anyone else?

10:19:31 19 MS. ESPARZA: Sorry.

10:19:33 20 THE COURT: Your name, please?

10:19:35 21 MS. ESPARZA: My name is Leslie Esparza and thank
10:19:40 22 you for the opportunity to speak. Sorry, I didn't mean
10:19:43 23 to --

10:19:45 24 THE COURT: Take your time.

10:19:48 25 MS. ESPARZA: I've known the Shickles for four

10:19:51 1 years. We met because our children go to school together
10:19:55 2 and Ronda and I bonded over the fact that we both had a
10:20:00 3 daughter named XXXXX. And when I met them, just from the
10:20:07 4 minute that I met Ronda, I knew that she was my people.
10:20:11 5 We live seven houses apart and our kids, you know, have a
10:20:18 6 lot of school activities together, attend church
10:20:20 7 activities together. So we've spent a lot of time
10:20:22 8 together. I've been in their home. They've been in my
10:20:26 9 home. We've taken each other's kids places. We've done
10:20:30 10 errands together, date nights together. We live a life
10:20:35 11 together and they have become like my extended family.
10:20:37 12 Steve and their XXXXX and XXXXXXXXX is like a
10:20:42 13 family to me. They are family to me. And in that time --
10:20:48 14 sorry. I've really -- I guess I'm just nervous because I
10:20:58 15 really want to share. I just shed some light on who Steve
10:21:02 16 is as a husband and as a friend and as a father and --
10:21:11 17 okay. I'll share just -- I know I need to be concise and
10:21:15 18 that's not my strength even in a normal situation.
10:21:18 19 So when we first met, Steve and Ronda started
10:21:22 20 coming to church with us and Steve is such a servant.
10:21:27 21 This was during the time of COVID and there was -- you
10:21:30 22 know, there was unusual meeting situations and we would
10:21:33 23 have to move our entire church out to the parking lot so
10:21:38 24 that people could drive up in their cars and listen or sit
10:21:44 25 in a car in the parking lot and listen to the service that

10:21:48 1 way if they wanted to. And Steve would spend his entire
10:21:52 2 Saturday moving the entire sound system outside to the
10:21:57 3 parking lot. I'd get there on Sundays at 8:00 a.m., which
10:22:00 4 I felt was really early because the service started at
10:22:02 5 10:00. I thought, you know -- and Steve had already been
10:22:05 6 there for an hour and a half setting up sound.

10:22:09 7 A year ago -- a Father's Day a year ago, Ronda
10:22:14 8 had, as you know, she just mentioned, a massive stroke and
10:22:21 9 Steve never left her side. The hospital's seven minutes
10:22:29 10 from our home so I would try to go and say, Steve, take
10:22:32 11 five minutes, like go outside, get some sun, and he did
10:22:35 12 not want to leave her side for a minute because he wanted
10:22:37 13 her to know when she woke up or if she needed him that he
10:22:41 14 was there. And he would sit there on his computer and
10:22:43 15 educate himself everything about her condition, how he
10:22:46 16 could advocate for her.

10:22:53 17 He is a caregiver by nature. He's a servant.
10:22:57 18 He's extremely kind. And his daughter XXXXX and XXXXXXXX
10:23:01 19 need him. He's the type of dad every time I'm in their
10:23:03 20 home, he's not in some man cave watching a movie like
10:23:07 21 trying to get some time to himself. He's in the kitchen.
10:23:08 22 He's in the living room with his girls, he spends time
10:23:11 23 with them. XXXXX is just like Steve and XXXXXXXX is just
10:23:15 24 like Ronda and both of those girls need both of their
10:23:18 25 parents. XXXXX needs Steve to be able to let her know

10:23:26 1 how, you know, important she is and that she's loved
10:23:29 2 because high school's hard. XXXXXXXX needs Steve to
10:23:33 3 protect her and shoo the boys away like he does. He does
10:23:38 4 a great job. He's an incredible dad and he's an
10:23:42 5 incredible husband to Ronda the way he's taking care of
10:23:45 6 her.

10:23:46 7 I know that I'm rambling and I'm sorry and I know
10:23:48 8 that there's a lot here that I don't understand. You read
10:23:52 9 the guidelines and the one thing I do understand is the
10:23:57 10 importance of family and the importance of having a dad at
10:24:02 11 home. And so, that would just be if I can share that
10:24:10 12 thought and ask you to consider Ronda obviously needs him
10:24:15 13 for practical reasons, but XXXXX and XXXXXXXX, they need
10:24:21 14 their dad at home.

10:24:23 15 THE COURT: Ma'am, may I ask you what Mr.
10:24:25 16 Shickles' told you as to why he's here today?

10:24:29 17 MS. ESPARZA: Yes. Actually, they've been very
10:24:33 18 clear and very up front and very -- they're very genuine,
10:24:42 19 honest. Steve has said to Ronda, I will spend the rest of
10:24:46 20 my life making this up to you.

10:24:48 21 THE COURT: Do you know how much money he stole?
10:24:50 22 Did he tell?

10:24:51 23 MS. ESPARZA: I do.

10:24:51 24 THE COURT: How much?

10:24:54 25 MR. ESPARZA: Three million; is that not correct?

10:24:55 1 THE COURT: Have you had an opportunity to read
10:24:57 2 the statement that the victim in this case wrote about the
10:25:00 3 impact on their lives?

10:25:02 4 MS. ESPARZA: You know, it's interesting that you
10:25:03 5 say that because I had to make that decision when I met
10:25:07 6 Steve and when we started building relationships and I do
10:25:13 7 understand what you're saying.

10:25:15 8 THE COURT: No. I'm just asking whether you've
10:25:17 9 read it.

10:25:18 10 MS. ESPARZA: I do. I do understand that -- I
10:25:23 11 understand what you're asking but I did have to make that
10:25:25 12 decision. When I met Steve and Ronda, if I'm going to
10:25:30 13 Google him and read things about him online or if I'm
10:25:33 14 going to make my decision about him based on the man that
10:25:39 15 I spend time with and whose house I'm in and I know -- I
10:25:45 16 knew -- I wanted him to know that I know who he is. And I
10:25:50 17 also know our actions do have consequences and they hurt
10:25:59 18 people. And every conversation I've had with Steve,
10:26:05 19 there's never been a deflection of responsibility. If
10:26:12 20 anything, it's the opposite. He has the weight of the
10:26:15 21 world on his shoulders. He's extremely humble and he's
10:26:24 22 the kind of guy that will beat himself up about it for the
10:26:27 23 rest of his life, no matter what you decide here today.
10:26:31 24 He'll carry the weight of it on his shoulders for the rest
10:26:34 25 of his life. And for me and my role in their life, my

10:26:37 1 role was not to add to that. My role is to love them, no
10:26:43 2 matter what.

10:26:45 3 And I do hope that the family that he's --
10:26:53 4 affected by his actions, I hope that they have people
10:26:55 5 supporting them and helping them, as well. But my role
10:26:57 6 has been to support them and love them. And so yes, to
10:27:04 7 answer your question. Honestly, Ronda is the type of
10:27:11 8 person, she'll just tell ya. She doesn't -- she needs a
10:27:15 9 girlfriend to talk to, too. But they've never tried to
10:27:21 10 pretend like this was anything other than -- they've never
10:27:28 11 tried to deflect responsibility. I'm sorry for my --

10:27:32 12 THE COURT: Not at all. It's very helpful.
10:27:34 13 Thank you.

10:27:36 14 MS. ESPARZA: Thank you.

10:27:36 15 THE COURT: Thank you.

10:27:47 16 Good morning. Your name, please?

10:27:49 17 MS. HYATT: I'm Stephanie Hyatt. Really, Judge,
10:27:53 18 I just want you to have an idea, as Leslie, of who Steve
10:27:58 19 is and who we see him as. I actually met Steve 18 years
10:28:01 20 ago, the same night that Ronda met him. Ronda and I were
10:28:05 21 involved with the children's play at Fantasy Playhouse,
10:28:08 22 Huntsville, Alabama, which I came from yesterday to be
10:28:10 23 here, and Steve and she had met on online and he was
10:28:17 24 coming to meet her for the first time. So I sat with
10:28:20 25 Ronda backstage before I went on stage. She was our

10:28:22 1 producer and we kind of peeked through to see him sitting
10:28:25 2 in the crowd to see who he was. We knew where his seat
10:28:28 3 was. And so, I was there from the very beginning of their
10:28:31 4 courtship and their relationship. I was at their wedding.
10:28:34 5 I was there for the birth of both of their children and
10:28:37 6 I've been there through that 18 years.

10:28:39 7 My children call them Uncle Steve and Aunt Ronda.
10:28:44 8 They were there for the raising of my children. Steve is
10:28:49 9 many things. I am well aware of what he has pled guilty
10:28:53 10 to, what he has done, but I see him as Uncle Steve. He is
10:28:59 11 the man who took the best pictures of my son when he was
10:29:01 12 four years old. He is the man that, you know, hung out in
10:29:04 13 my backyard grilling. He has been an amazing father to
10:29:09 14 his children, an amazing husband to my best friend. He
10:29:13 15 has been an amazing friend to my husband. He's -- when
10:29:18 16 Ronda and I were involved for years and years in
10:29:20 17 Huntsville with children's theater, Ronda taught, dealt
10:29:25 18 with, you know, teaching children's theater classes, and
10:29:28 19 Steve could always be counted on to show up. And they
10:29:32 20 were talking about the sound system, he could get that
10:29:34 21 stuff going. He could fix the sound, he could get the
10:29:36 22 lights going, all of this stuff. He was just a rock. He
10:29:39 23 was a rock for everyone to call on to make things right,
10:29:43 24 to make things work. And the value of that in this
10:29:48 25 situation is, he will continue to be that rock. He is

10:29:50 1 going to continue to make things right. That is simply
10:29:52 2 who he is.

10:29:55 3 Ronda did have a stroke a year ago. You've heard
10:29:57 4 that. You've seen her. She's doing remarkably better.
10:30:00 5 The day it happened, she would have died if Steve had not
10:30:03 6 realized that something was going on. She kept saying, I
10:30:06 7 have a migraine and then, she would start speaking and,
10:30:09 8 you know, just weird gibberish and he immediately took her
10:30:13 9 to the hospital and luckily for them, the hospital near
10:30:15 10 them had this great stroke system and immediately got
10:30:19 11 involved.

10:30:20 12 Since then, I flew out here a couple of weeks
10:30:23 13 after it happened to try to be here as support. But other
10:30:26 14 than to drive her around, he had everything under control.
10:30:30 15 He had meals under control. He had the girls' schedules
10:30:33 16 under control. He had all of her doctors' appointments
10:30:35 17 and therapy schedule under control. There was a lot to
10:30:39 18 recovery from a stroke and he has basically made it his
10:30:42 19 job over this past year to see her recover, and what I see
10:30:45 20 in that and what I want you to see in that is, this
10:30:50 21 experience -- he's worked with a counselor through this
10:30:55 22 experience. This experience of realizing how badly he
10:30:58 23 screwed up, how badly he messed up has turned him even
10:31:01 24 into a stronger man of I am going to do what's right for
10:31:05 25 my family. I am going to do what's right and what I need

10:31:07 1 to do. And I think that's who you have in front of you
10:31:10 2 today is someone who is committed to doing all of those
10:31:13 3 right things. That is what has been expressed to me.

10:31:16 4 THE COURT: Thank you very much.

10:31:18 5 MS. HYATT: Thank you.

10:31:21 6 THE COURT: Anyone else?

10:31:38 7 MR. BARNES: Hello, your Honor. My name is
10:31:39 8 Steven Barnes. So I'm here to represent not current
10:31:44 9 Simple Helix but past Simple Helix. Steve worked at
10:31:48 10 Simple Helix for over half a decade and in that time when
10:31:50 11 I first moved here and when I first moved to Huntsville, I
10:31:54 12 got a job at Simple Helix, immediately, I fell in love
10:31:56 13 with working with Steve. He was a great guy, technology
10:32:00 14 guy, could talk about all sorts of things.

10:32:03 15 My role in that company was, I was a coder. I
10:32:07 16 developed code integrations, APIs for the internal product
10:32:12 17 that we were selling. My job was to be a part of, to
10:32:18 18 understand how the business was going, how things were
10:32:23 19 run. That was my job. In working with Steve, I knew
10:32:29 20 immediately that I liked him. Like everyone else has
10:32:32 21 said, he's a great guy. Understood -- he was a swell guy.
10:32:38 22 Our families hung out together. Our families hung out
10:32:41 23 with their families. We went on, you know, his boat. We
10:32:45 24 went on jet skis. If the -- so we knew each other very
10:32:52 25 well.

10:32:54 1 On the other side, there was work Steve. Work
10:32:57 2 Steve was the guy that I was helping to build the company
10:33:01 3 that we were doing. I was there to make sure that he knew
10:33:06 4 that I was going to help him. Whether it was going to a
10:33:08 5 conference with him and making sure that he had water, or
10:33:11 6 I held his jacket, or I was there to sell the product that
10:33:15 7 we were selling. Steve -- I was making sure that the
10:33:19 8 company that we were running was being successful.

10:33:25 9 On the other side -- so it was always told to us
10:33:29 10 that Simple Helix was owned by Steve Shickles. He owned a
10:33:33 11 hundred percent of the company. The other side was that
10:33:35 12 we had another person, another investor named Jada Leo.
10:33:40 13 Jada was a minor investor. Jada didn't do any day-to-day
10:33:47 14 operations. They ran it as a manager manager, but at the
10:33:50 15 end of the day, this was Steve's company, he owned
10:33:52 16 majority of it, if not the whole thing.

10:33:54 17 So we were told if Jada had come into the office,
10:33:59 18 not to talk to Jada. Again, he's the investor, he doesn't
10:34:01 19 know what he's doing, don't talk to Jada. Don't talk to
10:34:04 20 him at all. That's kind of weird, but guy owns the
10:34:08 21 company and he's my boss, I'm going to do that. So for
10:34:13 22 years and years, we absolutely held that party line. We
10:34:17 23 didn't talk to Jada. We didn't talk to any accountants
10:34:20 24 that came in. That's just what we did. So fast-forward a
10:34:27 25 little bit, Simple Helix wants to grow. Simple Helix

10:34:31 1 wants to make a data center. In order to make a data
10:34:33 2 center, you need to have people who are going to give you
10:34:34 3 money. You need to talk to banks. Banks need P&L
10:34:38 4 statements.

10:34:38 5 So there was a day that Steve came into my office
10:34:41 6 and he said, hey, Steven, can you make me a report that
10:34:44 7 would just say how much money we have coming in, how much
10:34:48 8 money we have going out, and specify how it's actually
10:34:51 9 done, whether it's credit cards, checks, PayPal? Simple
10:34:57 10 fix. I knew how to do that, wrote that report, couple of
10:35:00 11 hours. The next day, I ran it at 8:00 in the morning,
10:35:03 12 done.

10:35:05 13 Few days go by, I see he pops his head into my
10:35:08 14 office and says, hey, Steven, can you do me a favor? Can
10:35:12 15 you take that PayPal part out of the report? You see, we
10:35:18 16 do PayPal differently now and we account for it
10:35:21 17 differently in the company's accounts. Okay. And to his
10:35:27 18 attorney's point, it was a very easy fix to do. It was my
10:35:30 19 job. I wrote the report, easy fix, my boss told me to do
10:35:33 20 that. Because Steve had always been kind of fickle on
10:35:36 21 certain things. All I did was disable that part of the
10:35:39 22 report. It didn't run. It was still in there and I made
10:35:43 23 a comment, we do PayPal differently now, because I figured
10:35:46 24 in a week, he'd probably want it back in. They fix
10:35:48 25 something on PayPal's side, end of story.

10:35:51 1 Flash forward a little bit, Simple Helix has a
10:35:56 2 data center, now we're doing great, but we still have
10:35:58 3 money issues. There's a problem where Steve does -- Steve
10:36:01 4 came in one day and said we couldn't make payroll and was
10:36:04 5 going to have to write a personal check for \$50,000 to
10:36:07 6 cover that payroll. We were having money troubles. Nice
10:36:12 7 data center, customers, where's the money going?

10:36:13 8 So we arranged a meeting with Jada. Again, we're
10:36:19 9 all told that Jada's a minor investor in the company. And
10:36:23 10 so, we have a meeting and Jada stands up in front of the
10:36:27 11 entire company and everyone lobs questions at Jada: Why
10:36:32 12 aren't you investing more money? Why aren't you asking
10:36:33 13 Steve for all these receipts? Why are you doing all these
10:36:36 14 things? It's his company. And Jada stood up and said, I
10:36:40 15 don't know what you're talking about. This is my company,
10:36:43 16 I own it. Steve owns one percent of the company. I am
10:36:48 17 here to say that all these things you're asking me, I've
10:36:53 18 never heard before or I don't know anything about these
10:36:55 19 things that y'all are having issues with.

10:36:59 20 So at the end of the meeting, I went up to Jada
10:37:01 21 and told him that I was not on team Shickles or team Leo,
10:37:06 22 I was on team Simple Helix, the company that's paying my
10:37:09 23 mortgage. I'm here to make sure that I find out what's
10:37:11 24 going on. And at the time, I was the security operations
10:37:15 25 center manager, so I had an elevated role in the company.

10:37:20 1 I was a trusted individual and I told Jada, I'm going to
10:37:23 2 find out what's going on.

10:37:25 3 And that next day, I pulled back data from all of
10:37:28 4 the PayPal transactions over the course of the last 10
10:37:33 5 years or so since beginning of the PayPal account. I
10:37:38 6 pulled them back and I saw obvious business transactions.
10:37:42 7 There was the Amazon here and there. But in that, I also
10:37:46 8 saw transfers to his personal account. I saw the Disney
10:37:51 9 Vacation Club. I saw the multiple Amazon -- the car
10:37:59 10 parts, the obvious transactions that were not
10:38:03 11 business-related. A total of what we've said was about
10:38:07 12 two million or so in funds that were in that account and
10:38:13 13 you could classify a lot of them as non-Simple Helix
10:38:17 14 purchases.

10:38:17 15 That's when we knew we had a problem. I talked
10:38:25 16 to the people that knew Steve the best. I talked to his
10:38:28 17 friends. You see, again, I was friends with Steve. We
10:38:32 18 had -- he had hired friends, too, Craig and Jennifer and
10:38:36 19 all these people who we were friends, and I asked them all
10:38:40 20 quickly, how did Steve make his money? We all had
10:38:43 21 different ideas. Inheritance, good stock purchases, what
10:38:49 22 have you. Well, inheritance and good stock purchases get
10:38:52 23 you pretty far in life maybe, but it doesn't account for
10:38:57 24 the millions of dollars worth of cars I saw go through
10:39:01 25 Simple Helix as a personal purchase on Steve. It didn't

10:39:04 1 account for the hundreds of thousands of dollars of camera
10:39:08 2 gear that just sat on the table for months not being used.

10:39:13 3 Steve Shickles was very flashy with his money.

10:39:16 4 He was very flashy with showing people that he had more
10:39:19 5 money than you. They went to the nicest schools and --

10:39:23 6 his kids went to the nicest schools, they were in all the
10:39:26 7 activities. They had means and it was all ill-gotten at
10:39:31 8 the end of the day.

10:39:32 9 To the point of the people who spoke in front of
10:39:35 10 you already, yeah, Steve and I were friends. I would have
10:39:39 11 taken a bullet for that man. And at the end of the day,
10:39:43 12 I'm glad I didn't completely put all my faith in him
10:39:47 13 because after I figured out the lying person that he was
10:39:52 14 and the fact that he wasn't truthful about his other
10:39:55 15 families that he has. He wasn't truthful about all of the
10:39:59 16 other issues that we found after we started looking.
10:40:03 17 After that, I realized he was a compulsive liar and I'm
10:40:08 18 glad I didn't trust him a hundred percent.

10:40:12 19 So all I have to say. Thank you for your time,
10:40:14 20 sir.

10:40:14 21 THE COURT: Thank you, sir. Anyone else? Yes,
10:40:20 22 sir. Good morning, sir. Your name?

10:40:31 23 MR. LEO: My name is Jada Leo. Thank you, your
10:40:38 24 Honor, for a chance to speak. You're the hand of justice
10:40:42 25 today. I was the primary owner of Simple Helix and I'm

10:40:49 1 glad to be standing here today. 577 days ago, I had a
10:40:54 2 massive heart attack and I never thought I would see the
10:40:57 3 day when we'd finally have justice and I'm glad to see I'm
10:41:02 4 here to see justice done. Steve is a master manipulator,
10:41:10 5 I can tell you. There's no doubt about it.

10:41:15 6 Regarding the funds that he's taken, the actual
10:41:17 7 calculation was about \$19 million. The settlement that he
10:41:21 8 signed was for \$13 million to pay back to the company.
10:41:27 9 And his wife also signed a settlement agreement to pay
10:41:30 10 back \$6 million to the company. Ultimately, the
10:41:35 11 restitution amount is about 1.6 that has been resolved
10:41:38 12 here with the Department of Justice. Do not believe the
10:41:45 13 words he's saying about remorse. He is calculating, he is
10:41:52 14 ultimately the best manipulator I've ever run into.

10:41:55 15 I've spent all my life working hard to make a
10:41:58 16 living I have and then, to provide the funds to support
10:42:01 17 the company which I believed in and I believed in him.
10:42:06 18 And all these people who have come here to speak as his
10:42:08 19 friends, I can assure you there are many friends in
10:42:11 20 Huntsville that they played exactly the same way and, in
10:42:15 21 some cases, borrowed money from them and then walked away
10:42:18 22 with their money.

10:42:21 23 The truth is, the man is a criminal. He will not
10:42:26 24 have remorse. He's, you know, supposedly a great man and
10:42:31 25 a good man, but he's left two children in Alaska. He's

1 abandoned them. He's lived a life of taking advantage of
2 anyone he possibly can. And, you know, I believe in my
3 heart that it's not only himself but, also, Ronda who's
4 well aware of all these matters. I've seen papers signed
5 with her that, you know, she was an employee of Simple
6 Helix where she signed paperwork making \$100,000 a year,
7 simply never happened. Once again, false and manipulation
8 and I believe that, you know, truth needs to be -- or
9 justice needs to be done today. And, you know, I urge you
10 to consider going beyond the sentencing limits, your
11 Honor.

12 This is a man who will continue to conduct crimes
13 and he will do all he can to do that. He will manipulate
14 and he's a very smart guy. I will give him this. He's
15 very smart but highly manipulative. He's a criminal and
16 justice needs to be served. And today, your Honor, I hope
17 justice will be delivered. Thank you.

18 THE COURT: Thank you, sir. Anyone else? All
19 right.

20 Mr. Aldredge. Anything further, Mr. Aldredge?

21 MR. ALDREDGE: No, your Honor.

22 THE COURT: Mr. Devlin?

23 MR. DEVLIN: Well, Judge, I'm not sure I can add
24 much more than Mr. Leo and Mr. Barnes certainly did. I
25 think -- and, of course, you've received Mr. Leo's written

10:44:04 1 victim impact statement, which in and of itself was very
10:44:06 2 compelling and showed the significant damage that this
10:44:10 3 defendant has done. But I think the one thing I'd like to
10:44:13 4 point out is, all this talk about Mr. Shickles is just
10:44:18 5 simply all about him. He is -- there's been nothing about
10:44:23 6 the victims here from him. There's been nothing about
10:44:27 7 making things right with the victims, making the victims
10:44:30 8 whole.

10:44:31 9 He's got these extremely large settlements that
10:44:34 10 he is supposed to be paying, yet, he's living in a house
10:44:38 11 where he's paying \$42,000 a year in rent. He recently got
10:44:42 12 a new car as laid out in the PSR. He has stopped making
10:44:47 13 payments on his settlement. He has no intent from his
10:44:51 14 actions, anyway, of making any provision for the victims
10:44:56 15 in this case. And everything that you've heard from the
10:44:58 16 defense side has just been all about him.

10:45:00 17 Even his written statement to you, Judge, was
10:45:04 18 unapologetic. He regretted getting caught. He regretted
10:45:08 19 the fact that this is going to affect his family, but
10:45:11 20 there was nothing in there about the victims. So I'm very
10:45:14 21 glad to see Mr. Leo and Mr. Barnes, who traveled here from
10:45:17 22 Huntsville. This was that important to them that they be
10:45:20 23 here to see this, that they were able to tell you first
10:45:24 24 person exactly who Mr. Shickles is and what his crimes
10:45:28 25 have done to them and to Simple Helix.

10:45:31 1 You know, again, it's kind of once a fraudster,
10:45:39 2 always a fraudster. He got appointed counsel because -- I
10:45:43 3 think. I don't know because we're not part of that but --
10:45:47 4 and this is nothing, of course, against Mr. Aldredge.
10:45:49 5 It's always a pleasure to deal with Mr. Aldredge. But I
10:45:52 6 think that Mr. Shickles wants to use the bankruptcy when
10:45:57 7 it favors him, but he doesn't want to pay on it when it's
10:46:00 8 going to potentially involve some financial sacrifice on
10:46:03 9 his part.

10:46:04 10 And so, it's just a shame that the taxpayers have
10:46:09 11 footed the bill for this and I don't believe that it was
10:46:11 12 this court's fault. I think that happened back in
10:46:14 13 Alabama. But I mention that again just simply as part of
10:46:17 14 the -- this trend that we're seeing with Mr. Shickles of
10:46:22 15 just simply just taking, taking, taking. He's sorry he
10:46:27 16 got caught, he's sorry this is going to have a bad effect
10:46:30 17 on his family, but he doesn't seem the least bit sorry for
10:46:33 18 Mr. Leo or for the other employees of Simple Helix who
10:46:37 19 this has drastically affected, as well.

10:46:39 20 So we would ask that the Court follow our
10:46:42 21 recommendation of the government in the plea agreement.
10:46:44 22 We would certainly ask the Court and urge you not to go
10:46:47 23 any less than that, by any means. I don't think this
10:46:51 24 defendant is deserving of that. And I believe that the
10:46:55 25 facts and circumstances here warrant the recommendation

10:46:58 1 that's in the plea agreement. And that, also, Judge, I
10:47:01 2 believe that there's also a provision for a fine in the
10:47:02 3 plea agreement, too, which we would ask for, but of
10:47:06 4 course, restitution will take precedence over all that.
10:47:08 5 Thank you.

10:47:08 6 THE COURT: All right.

10:47:17 7 MR. ALDREDGE: Your Honor, if I may.

10:47:18 8 THE COURT: Sure.

10:47:19 9 MR. ALDREDGE: I've got copy of his statement
10:47:21 10 here. He mentioned the victim four or five times. So I'm
10:47:25 11 not sure what Mr. Devlin's referring to in his ringing
10:47:30 12 endorsement of the plea agreement. And I would also say
10:47:33 13 that prior to his wife having a stroke, he did contribute
10:47:39 14 50, \$60,000 towards his restitution debt and they have
10:47:43 15 stopped since the additional familial burdens of a year
10:47:51 16 ago. That's all I have.

10:47:52 17 THE COURT: Thank you very much.

10:47:56 18 Mr. Shickles, let me start off by making an
10:48:01 19 observation that I frequently make in these sorts of cases
10:48:03 20 and that is in many, if not most, cases that I preside
10:48:09 21 over at sentencing, I'm able to look at the background of
10:48:13 22 folks and typically there is a direct line between severe
10:48:21 23 disadvantage, childhood trauma, substance abuse disorders,
10:48:28 24 people who you could tell from the beginning, they were
10:48:32 25 destined for trouble; and then, these cases stand out

10:48:40 1 because they're people who have been given every
10:48:43 2 advantage, every opportunity, every privilege in our
10:48:45 3 society, and rather than being grateful and productive,
10:48:50 4 law-abiding citizens, they turn, because of their greed,
10:48:56 5 and victimize other people.

10:48:58 6 And I often wonder whether it's that simply you
10:49:02 7 have a remarkable ability to sort of live two lives or to
10:49:06 8 deceive yourself, but that's not my business. And much of
10:49:10 9 what people have talked about today that in the letters
10:49:12 10 that I've read on your behalf are people who talk about
10:49:15 11 what a good man you are, and it's not my domain or
10:49:19 12 province to decide whether you're a good man or not.
10:49:22 13 That's for everyone to decide based on the evidence that
10:49:25 14 they choose to look at.

10:49:27 15 My job is to look at what you've done and to
10:49:33 16 deliver consequences not only for you but for other people
10:49:35 17 who are similarly situated so that they know that once
10:49:39 18 they start down the path that you were on for years of
10:49:43 19 daily manipulation and lying for just sheer greed, that
10:49:48 20 there's a cost to it. And I'm a firm believer, though, as
10:49:53 21 opposed to other kinds of criminality where sometimes
10:49:56 22 punishment makes a difference and sometimes punishment
10:49:59 23 doesn't.

10:50:00 24 In this kind of case, punishment does make a
10:50:03 25 difference because people like you who were out there who

10:50:06 1 were in a position to effect these harms on innocent,
10:50:10 2 hard-working people, they sit up and watch when I sentence
10:50:13 3 people and that's what I'm doing today. I'm delivering a
10:50:17 4 harsh consequence to you because you deserve it. You've
10:50:22 5 been given every advantage, every privilege.

10:50:24 6 And I hope that everyone who speaks on your
10:50:28 7 behalf or sees the other side that you want them to see
10:50:31 8 that they take time if they're honest with themselves and
10:50:34 9 with you, that they take time to look at the victim impact
10:50:37 10 statements in these cases because these aren't some
10:50:40 11 anonymous, invisible, imaginary people. These are people
10:50:44 12 who work hard, who have to get out -- come in and out of
10:50:50 13 retirement when they thought they had worked hard all
10:50:52 14 their lives and they finally reach the point where they
10:50:54 15 can enjoy the fruits of their labor, they find that they
10:50:57 16 have little or nothing because you were buying expensive
10:51:00 17 cars and living the life that you wanted -- lying to them
10:51:04 18 all along. That's why you're here today and that's why
10:51:06 19 you're going to get a serious punishment. You deserve it.

10:51:11 20 In this case, the victim even noted this that you
10:51:16 21 make more money than I do today standing here and you've
10:51:20 22 got a court-appointed lawyer. You haven't made a penny
10:51:24 23 payment on your obligation that you've signed -- you've
10:51:28 24 signed an obligation for millions of dollars not just what
10:51:30 25 you're here for. You haven't made a penny payment in the

1 last year. That's what speaks more loudly to me than
2 anything. So I think you know where this is going.

3 I sentence you within the guidelines, although I
4 think I could easily justify a sentence above the
5 guidelines. But having considered all of the elements
6 that I'm required to consider, I sentence you to a term of
7 incarceration in the Bureau of Prisons of 63 months,
8 followed by a term of supervised release of three years, a
9 fine of \$100,000, in addition to restitution in the amount
10 of \$1,657,639.93, a special assessment of \$100 under the
11 Victims of Crimes Act.

12 While you're on supervised release, you're going
13 to have to comply with a number of provisions and
14 conditions. One is that while you're on release, you are
15 not to commit any other federal, state, or local crimes
16 and you comply with the mandatory and standard conditions
17 adopted by this court. That you not use -- excuse me,
18 that you provide the probation officer with access to any
19 financial information and authorize the release of
20 financial information.

21 That you not incur any new credit charges or open
22 additional lines of credit without the approval of your
23 probation officer. I'm going to order that you pay any
24 financial penalty, including fine and restitution, in
25 accordance with the schedule of payments. You're to

10:53:04 1 notify the Court of any changes or circumstances that
10:53:05 2 might affect your ability to pay the penalty. That you
10:53:08 3 not work in any type of employment without the prior
10:53:11 4 approval of your probation officer.

10:53:13 5 That you make restitution to Simple Helix, LLC in
10:53:16 6 the amount previously stated and that if you're not able
10:53:20 7 to pay this indebtedness currently, you cooperate with the
10:53:23 8 U.S. Attorney's Office, Bureau of Prisons, and the
10:53:26 9 Probation Office to make payment as soon as possible,
10:53:29 10 including during any period of incarceration. That any
10:53:32 11 unpaid balance will be paid on a schedule of monthly
10:53:35 12 installments to be established by the probation office.

10:53:38 13 I find that you don't have the ability to pay
10:53:42 14 interest, so I will waive the interest requirement in this
10:53:45 15 case. I to have to impose the \$100 mandatory special
10:53:47 16 assessment. Unless you've waived your right in your plea
10:53:50 17 agreement, you have the right to appeal the sentence I've
10:53:52 18 given you today, and if you want to do that and have the
10:53:54 19 ability to do it, you can talk to Mr. Aldredge about how
10:53:57 20 to do that and the time limits for doing it.

10:54:00 21 Mr. Devlin, what's the government's position with
10:54:03 22 regard to allowing Mr. Shickles to remain out on bond?

10:54:06 23 MR. DEVLIN: Judge, we have not been made aware
10:54:07 24 of anything other than compliance from Pretrial Services
10:54:10 25 at this point.

10:54:11 1 THE COURT: Mr. Shickles, if you will tell me
10:54:12 2 that you'll continue to comply with the conditions that
10:54:15 3 you've been under up to this point and that you appear
10:54:18 4 when and where as designated for the service of your
10:54:21 5 sentence, I'll let you remain on bond. Will you do that?

10:54:23 6 THE DEFENDANT: I will, your Honor.

10:54:24 7 THE COURT: Okay. Very good. Mr. Aldredge,
10:54:26 8 anything else?

10:54:26 9 MR. ALDREDGE: Yes, your Honor. We'd ask the
10:54:27 10 Court for two recommendations with respect to service of
10:54:31 11 the sentence. First, that he be placed at FPC Montgomery
10:54:40 12 and, secondly, that the Court recommend his participation
10:54:43 13 in RDAP program.

10:54:45 14 THE COURT: Is there reflection in the record
10:54:47 15 that would justify that?

10:54:49 16 MR. ALDREDGE: Yes.

10:54:49 17 THE COURT: Okay. Very good. Any objection from
10:54:51 18 the government?

10:54:52 19 MR. DEVLIN: No objection to those
10:54:54 20 recommendations, Judge.

10:54:54 21 THE COURT: I'll make those recommendations in my
10:54:56 22 judgment.

10:54:56 23 MR. ALDREDGE: Thank you, Judge. Nothing
10:54:59 24 further.

10:54:59 25 MR. DEVLIN: Nothing further, Judge.

(Proceedings concluded.)

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UNITED STATES DISTRICT COURT)
WESTERN DISTRICT OF TEXAS)

I, LILY I. REZNIK, Certified Realtime Reporter,
Registered Merit Reporter, in my capacity as Official
Court Reporter of the United States District Court,
Western District of Texas, do certify that the foregoing
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WITNESS MY OFFICIAL HAND this the 19th day of August,
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Lily Iva Reznik

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